



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 09-7, Maine State Income Tax Withholding

Date: February 6, 2009

To: Holders of TAXES (State of Maine only)  
Personnel User Groups  
T&A Contact Points in Maine

Beginning with wages paid for Pay Period 5, the National Finance Center (NFC) will make the following changes to the state of Maine income tax withholdings:

- The Single and Married withholding tables will change.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

JOHN S. WHITE, Acting Director  
Government Employees Services Division

# Maine State Income Tax Information

<b>State Abbreviation:</b>	ME
<b>State Tax Withholding State Code:</b>	23
<b>Acceptable Exemption Form:</b>	W-4 or W-4ME
<b>Basis For Withholding:</b>	State Exemptions
<b>Acceptable Exemption Data:</b>	S, M / Number of Allowances
<b>TSP Deferred:</b>	Yes
<b>Special Coding:</b>	Determine the Total Number Of Allowances Claimed field as follows: <b>First Position</b> – S = Single; M = Married; <b>Second and Third Positions</b> – Enter the number of allowances claimed. If less than 10, precede with a zero.
<b>Additional Information:</b>	If the W-4 is used, code it as a state tax document. An employee who had a filing status of Married, Filing Jointly (N) and wants to claim Married (M) must complete a new W-4 with filing status (M).

## Withholding Formula ►(Effective Pay Period 5, 2009)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4 to determine the taxable income.  

$$\text{Exemption Allowance} = \$2,850 \times \text{Number of Exemptions}$$
6. Apply the taxable income computed in step 5 to the following table to determine the annual Maine income tax withholding.



**Tax Withholding Table**  
**Single**  
**(Filing Status S)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ ►2,850	\$ 0	plus 0.0%	\$ 0
2,850	7,900	0	plus 2.0%	2,850
7,900	12,900	101	plus 4.5%	7,900
12,900	23,000	326	plus 7.0%	12,900
23,000	and over	1,033	plus 8.5%	23,000◄

**Married  
(Filing Status M)**

**If the Amount of  
Taxable Income Is:**

**The Amount of Maine  
Tax Withholding Should Be:**

<b>Over:</b>	<b>But Not Over:</b>		<b>Of Excess Over:</b>
\$ 0	\$  6,650	\$ 0 plus 0.0%	\$ 0
6,650	16,800	0 plus 2.0%	6,650
16,800	26,800	203 plus 4.5%	16,800
26,800	47,000	653 plus 7.0%	26,800
47,000	and over	2,067 plus 8.5%	47,000 

7. Divide the annual Maine income tax withholding determined in step 6 by 26 and round to the nearest dollar to obtain the biweekly Maine income tax withholding.

**Note:** If the annual computed tax is \$40 or less, the withholding amount will be changed to zero.